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**CENTRAL INTELLIGENCE AGENCY**

REPORT NO.

# INFORMATION REPORT

CD NO.

COUNTRY Yugoslavia

DATE DISTR. 27 Sept. 1951

SUBJECT Yugoslav Political and Economic Situation

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SUPPLEMENT TO  
REPORT NO.

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The following statements are purportedly the views of a former Yugoslav Air Force officer on the present Yugoslav political and economic situation.

1. Complete unity appears to exist among the members of the Politburo and the members of the Central Committee of the Yugoslav Communist Party. Leading Yugoslav personalities, i.e. Aleksander Rankovic, Minister of the Interior; Mosa Pijade, President of the Parliamentary Council; Edvard Kardelj, Minister of Foreign Affairs; and Milovan Djilas, Minister of Propaganda, are all sincerely anti-Soviet. Informant disagrees with the view that Kardelj, Djilas and Boris Kidric, Minister Plenipotentiary for the Five Year Plan, would form a clique to oppose Tito or Rankovic.<sup>1</sup>
2. Franc Leskovsec, Minister Chairman of the Council for Machine Building, is an important member of the Politburo in the opinion of informant. Colonel General Koca Popovic, Chief of Staff, has little personal contact with the Communist masses and little influence on the Communist Party policy.
3. An unspecified number of minor members of the Yugoslav Communist Party are pro-Cominform and in the event of war with Russia or its Satellites, they might cause considerable trouble. However, the majority of the Yugoslav people are so profoundly anti-Soviet and have such a traditional hatred for the Satellite nations, that they would defeat the purposes of the pro-Cominformists.<sup>2</sup>
4. Despite the attitude and course of action of the various anti-Tito nationalist groups in Yugoslavia, informant believes none of these groups would support Russia in the event of war with her, particularly if the Western Powers give firm support to Tito.<sup>3</sup> The length of time the Yugoslavs would be able to resist Soviet or Satellite attack would depend upon the amount of aid given to Yugoslavia by the Western Powers. This problem concerning the attitude of neighboring countries toward Yugoslavia in the event of Soviet or Satellite attack, was explained to officers of the Yugoslav Armed Forces and to Communist Party members by Political Commissars as follows:

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- a. The Greeks, regardless of their feelings for the present regime in Yugoslavia, must immediately help Yugoslavia with troops and supplies in order to prevent a rapid Soviet or Satellite penetration of the Vardar River Valley.
  - b. The Italians must help Yugoslavia with troops and supplies in order to prevent the Po River Valley from being turned into a battlefield.
  - c. The Americans and British, in order to protect their interests and to confine the fighting to Yugoslav territory, must ensure that Austria make an adequate contribution to Yugoslavia's fighting strength.
5. In the opinion of informant, an organized front line could be maintained only in the event the Satellite nations should attack without the support of the Soviet Union. A sudden appearance of Soviet troops would demoralize Yugoslav troops to the extent that an organized retreat to the mountains and forests would be almost impossible. However, fear of the Soviets is so great in Yugoslavia that large numbers of the Yugoslav people would flee to the mountains. This would make large scale guerrilla warfare possible, providing that adequate supplies and equipment were available.
  6. Informant believes that the fear of Soviet occupation of Yugoslavia is the strongest control factor Tito has over the people. This fear of an attack by the Soviet Union or the Satellites is general. High ranking military men and Communist Party leaders believed until recently that the most likely time for a Soviet attack would be during May or June 1951. The Soviets might attack at that time in order to prevent the Yugoslav people from harvesting their crops. An attack at that time, particularly in view of the extremely poor harvest of last year, would have been an intense blow to the Yugoslavs.
  7. The economic situation in Yugoslavia continues to be bad.<sup>4</sup> The peasants in Macedonia are strongly opposed to the collectivization policy, because the collectives have not provided them with the minimum means of existence. In informant's opinion, the chief factor responsible for the establishment of mass collectivization in Macedonia was the eagerness of low-level Party officials to show themselves as great executors of Communist doctrine, rather than the plans of the Federal Government.
  8. In Macedonia there are no experienced planners or skilled managers for the collectives.<sup>5</sup> The peasants find it difficult to understand why the authorities insist they must raise cotton, when there is not sufficient food.
  9. The wages of workers in Yugoslavia are low in comparison with the cost of living, and since factories, workshops and mines are owned by the government, dissatisfied workers accuse the authorities of exploiting them. Salaries of government employees and army officers are insufficient to cover essential needs. A career captain receives 5,500 dinars per month, but pays 1,500 dinars for his quarters, laundry and Party membership dues. In general, food and other consumer items obtained with ration cards are insufficient; however, free market prices are so high, few people can afford to buy there.

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1. Comment: For additional details on the anti-Soviet reliability of these Yugoslav officials and their degree of faithfulness to Tito, see [REDACTED] 25X1A

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2. Comment: Your attention is drawn to [REDACTED] in connection with Communist activity and propaganda in Yugoslavia.

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3. Comment: For previous disseminations concerning the attitude and morale of the Yugoslav people, of nationalist groups and of the Yugoslav Army in the event of Soviet or Satellite attack, see [REDACTED]

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4. Comment: Your attention is called to [REDACTED] in connection with the present economic conditions in Yugoslavia.

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5. Comment: Your attention is directed to the following disseminations: [REDACTED] for additional information on the subject of Macedonian collectives.

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